



CITY OF  
**UMHLATHUZE**  
VISION INTO ACTION

**DRAFT**

## **ANNUAL PERFORMANCE REPORT**

**2015 / 2016  
Municipal Year**

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## ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM

### 1. Legislative requirements

Outlined in Section 40 of the Municipal Systems Act of 2000 (MSA), Municipalities must establish mechanisms to monitor and review its Performance Management System (PMS) so as to measure, monitor, review, evaluate and improve performance at organisational, departmental and employee levels. Section 34 of the MSA furthermore point out that the Integrated Development Plan (IDP) has to be reviewed on an annual basis, and that during the IDP review process the Key Performance Areas, Key Performance Indicators and Performance Targets be reviewed and this review will form the basis for the review of the Organisational Performance Management and Performance Contracts of Senior Managers.

The Municipal Planning and Performance Management Regulations (2001) stipulates that a “municipality’s performance management system entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players” (Chapter 3, Section 7, Municipal Planning and Performance Management Regulations, 2001).

Section 46 of the Municipal Systems Act (Act 32 of 2000), stipulates the following:-

*"Annual performance reports*

46. (1) A municipality must prepare for each financial year a performance report *reflecting -*
- (a) the performance of the municipality and of each external service provider during that financial year;
  - (b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and
  - (c) *measures taken to improve performance.*
- (2) ***An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act.***

### 2. Introduction

The first performance management framework was adopted by the uMhlathuze Municipality on 28 May 2002. The framework was reviewed and amended during 2012/2013 financial year to align with the best practice guidelines suggested by the then Department of Provincial and Local Government and Traditional Affairs of Kwazulu-Natal. The framework/policy was again reviewed in May 2015 to address the Auditor General finding that the municipality did not have documented and approved internal policies and procedures to address the process of collection, recording, processing, monitoring and reporting of performance information.

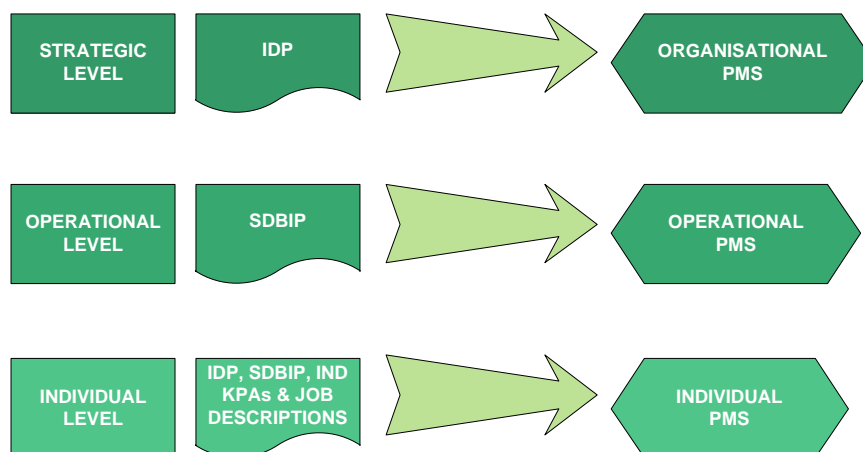
The Reviewed Performance Management Framework and Policy has been enhanced to include the National Treasury *Communications Directive: Framework for Managing Programme Performance Information (FMPPi)*. *The Local Government Regulations on the appointment and conditions of employment of Senior Managers (Reg 21 of 17 January 2014)* were also included in the reviewed framework, since it was promulgated after the adoption of the previous Performance Management Framework and Policy.

The approved and adopted Performance Management Framework/Policy has been adopted in June 2016, per item on RPT 160112 and framework/policy document on DMS 1122026 together with the newly established Standard Operating Procedure (DMS 1077198) to clarify the processes to collect, collate, verify and store of performance information and documents are available on Councils official website ([www.umhlathuze.gov.za](http://www.umhlathuze.gov.za) under the “Performance Management” link).

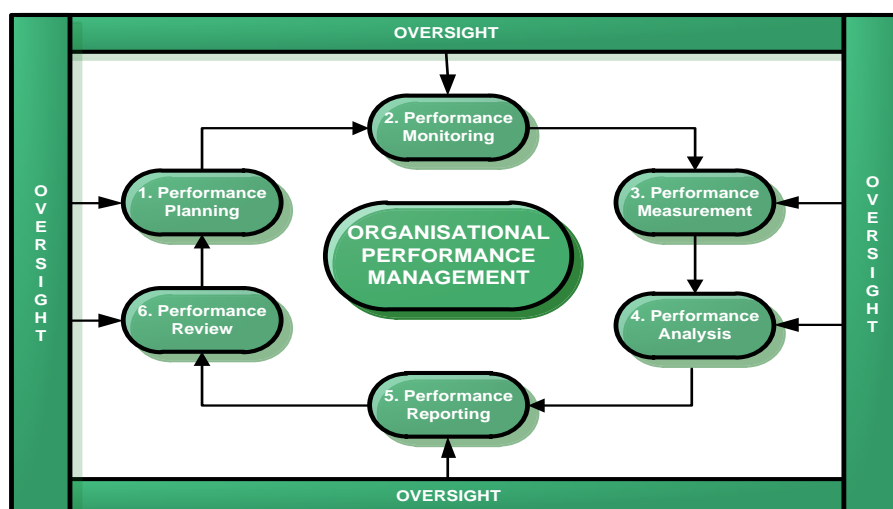
The Organisational Performance Management function of uMhlathuze Municipality is delivered by an internal Performance Management Unit within the Office of the Municipal Manager under the direct supervision of the Chief Operations Officer. The Performance Management unit consists of two permanent employees, i.e. one post of Manager: Performance Management and one post of Performance Management Specialist.

### 3. Organisational Performance Management Process

The legislative framework as set out above provides for performance management at various levels in a municipality including organisational (sometimes also referred to as municipal, corporate or strategic) level, operational (also referred to as services, departmental or section/team level) and lastly, at individual level as. These levels are however integrated and interdependent on each other.



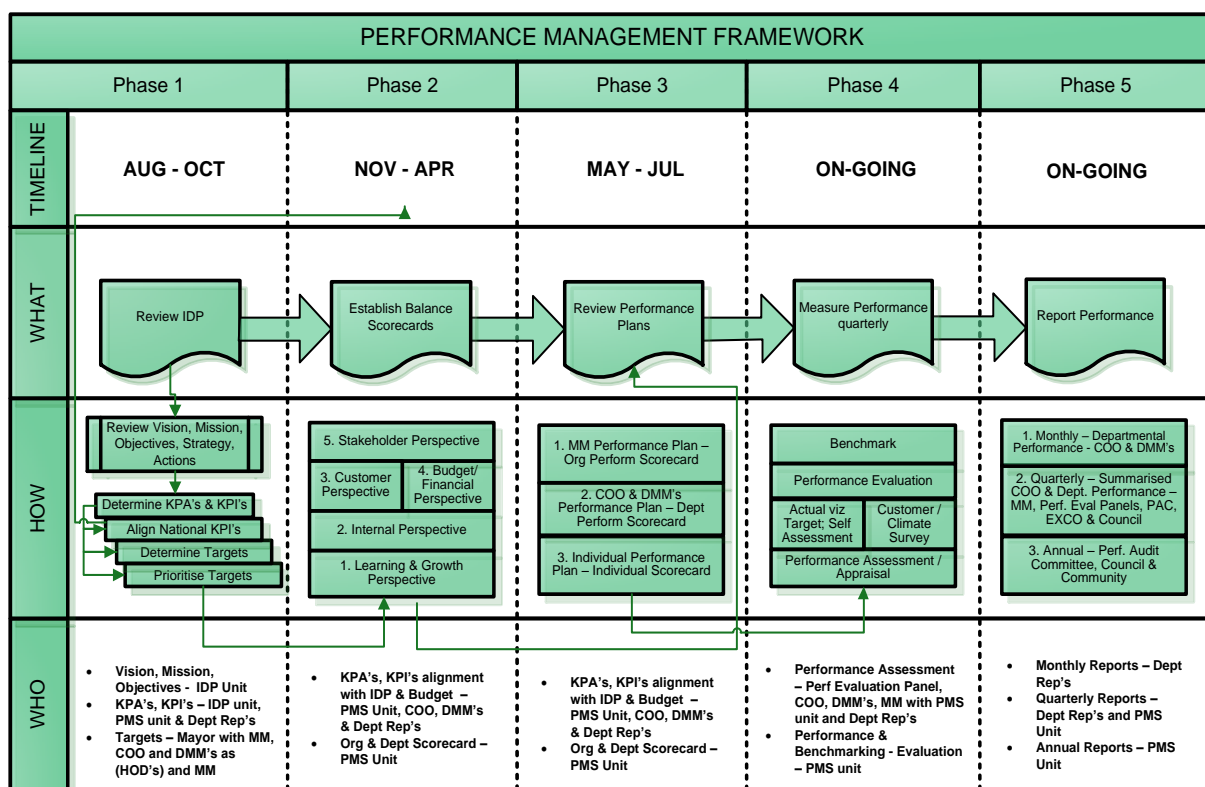
The process of managing performance at organisational level in the uMhlathuze Municipality involves the stages as set out in the following diagram:



Key performance indicators have been refined in support of the municipality's development priorities and objectives as set out in the revised IDP framework (aligned with the organizational structure and Council's priorities) for the five year IDP period to ensure consistency in measuring and reporting on long terms strategies and projects. Measurable performance targets with regard to each of these development priorities and objectives were established and are reflected on the 2015/2016 OPMS Scorecard. A process to ensure regular reporting is in place and gets reported quarterly to the Council via the Performance Audit Committee.

Individual performance agreements and performance plans were prepared in line with provisions prescribed in the Performance Regulations (Notice 805, published on 1 August 2006 in the official gazette) and signed by the Municipal Manager and Deputy Municipal Managers (Heads of Department). These agreements are fully implemented and aligned with the Service Delivery and Budget Implementation Plan as required in terms of the Municipal Finance Management Act (No 56 of 2003)

The following diagram illustrates a summary of the reviewed performance management framework for the City of uMhlathuze for performance measurement and reporting, adhering to the guidelines suggested by KwaZulu-Natal Province, Department for Cooperative Governance and Traditional Affairs:



uMhlathuze Performance Management Framework diagram

#### 4. Performance Audit Committee

The Performance Audit Committee established in 2003 in terms of of Section 14(2) (a) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 and membership changed over time. The Performance Audit Committee for the 2015/2016 financial year was re-affirmed on 24 February 2016, by Council Resolution 10664 (Item on RPT 159661). The appointment of the following members will lapse at the end of January 2017 after the annual report is adopted by the Council:

Ms M J Ndlovu – Chairperson (external member)

Ms R de Waal (external member)

Mr B S Ndaba (external member)

Cllr M G Mhlongo (Mayor)

Cllr N V Gumbi (Deputy Mayor)

The Performance Audit Committee is meeting on a quarterly basis for each financial to consider the reported quarterly performance achievements reported on the OPMS scorecard as well as the Performance Achievements reported in terms of the Service Delivery Budget Implementation Plan.

The Performance Audit Committee has met quarterly during the 2014/2015 financial year as follows:

Period	Date	Reference to Agenda	Reference to Minutes
Quarter 1	27 August 2014	RPT 156730	RPT 156816
Quarter 2	31 October 2014	RPT 157135	RPT 157136
Special	03 February 2015	RPT 157547	RPT 157548
Quarter 3	27 March 2015	RPT 157705	RPT 157707
Quarter 4	26 June 2015	RPT 158411	RPT 158412

The Draft Annual Performance was finally reviewed on 28 August 2015 to consider the reported annual performance achievements reported on the OPMS scorecard as well as the Performance Achievements reported in terms of the Service Delivery Budget Implementation Plan on the completed 2014/2015 financial year. The minutes of meetings are available on the GroupWise electronic document management system.

## 5. Performance Evaluation Panels

Performance Evaluation Panels have initially been established for the assessment of performance of the Municipal Manager as well as Managers directly accountable to the Municipal Manager per Council Resolution 4120 of 10 October 2006. The Performance Evaluation Panels were re-affirmed over time and subsequently again for the 2015/2016 financial year on 3 November 2015, by Council Resolution 10431 (Item on RPT 159161).

Performance Assessment Panels for the assessment of Section 57 employees were established as follows:

- A) For purposes of evaluating the annual performance of the municipal manager (section 54A), an evaluation panel constituting of the following persons was established -
- (i) Executive Mayor or Mayor;
  - (ii) Chairperson of the Performance Audit Committee;
  - (iii) Member of the Mayoral or Executive Committee or in respect of a plenary type Municipality, another member of Council;
  - (iv) Mayor and/or Municipal Manager from another Municipality; and
  - (v) Member of a Ward Committee as nominated by the Executive Mayor or Mayor."

Clr M G Mhlongo	Mayor/Chairperson
Clr N V Gumbi	Member of the Executive Committee
Ms M J Ndlovu	Chairperson of the Performance Audit Committee
Clr S W Mgenge	Mayor from another Municipality (uMfolozi)
Mr E S Luthuli	Ward Committee member

B) For purposes of evaluating the annual performance of managers directly accountable to the Municipal Manager, an Evaluation Panel constituted of the following persons was established:

- (i) Municipal Manager;
- (ii) Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a Performance Audit Committee;
- (iii) Member of the Mayoral or Executive Committee or in respect of a plenary type Municipality, another member of Council; and
- (iv) Municipal Manager from another Municipality.”

Dr N J Sibeko	Chairperson
Clr N V Gumbi	Member of the Executive Committee
Ms M J Ndlovu	Chairperson of the Performance Audit Committee
Mr K E Gamede	Municipal Manager from another Municipality (uMfolozi)

Performance Evaluation sessions are conducted at the end of each quarter. The first and the third quarter assessment are informal assessments. Formal assessments are conducted on the Second and Fourth quarter. The final(Fourth) and formal performance evaluation sessions of the Municipal Manager and Managers Directly accountable to the Municipal Manager covering the financial year are performed in November to allow sufficient time for validation and auditing of information reported on the completed financial year. The minutes of all meetings are available on the GroupWise electronic document management system. The final performance evaluation results and scores are reported via the Performance Audit Committee to the Executive Committee and Council before submission of the Annual Financial Statements and the Annual Report.

## 6. Auditing of Performance Information

The MFMA and the Municipal Planning and Performance Management Regulations require that the Municipal Council establish an audit committee consisting of a minimum of three members, where the majority of members are not employees of the municipality. No Councillor may be a member of an audit committee. Council shall also appoint a chairperson who is not an employee.

The Regulations give municipalities the option to establish a separate performance audit committee whereas the MFMA provides for a single audit committee as further being recommended by National Treasury in terms of their MFMA Circular no. 65 of November 2012. The municipal Council has however taken a decision to continue with a separate Performance Audit Committee and Audit Committee to allow for Councillors to serve on the Performance Audit Committee to enable Councillors to provide input towards Performance Management related matters.



The Audit Committee relies on the work done by the Performance Audit Committee in terms of the Audit Committee charter and receives and considers reports presented to it by the Performance Audit Committee at its scheduled meetings.

In carrying out its mandate, the Audit Committee and Performance Audit Committee must have a good understanding of the strategic goals of the Municipality, strategic focus areas as outlined in the Integrated Development Plan (IDP) and the Service Delivery Budget Implementation Plan (SDBIP) and should:

- Review and comment on compliance with statutory requirements and performance management best practices and standards.
- Review and comment on the alignment of the Integrated Development Plan, the Budget, Service Delivery and Budget Implementation Plan and performance agreements.
- Review and comment on relevance of indicators to ensure they are measureable and relate to services performed by the Municipality.
- Review compliance with in-year reporting requirements.
- Review the quarterly performance reports submitted by internal audit.
- Review and comment on the Municipality's annual reports within the stipulated timeframes. Review and comment on the Municipality's performance management system and make recommendations for its improvement at least twice a year.
- At least twice during a financial year submit an audit report to the municipal council concerned.

In reviewing the municipality's performance management system the Performance Audit Committee focus on economy, efficiency, effectiveness and impact in so far as the key performance indicators and performance targets set by the municipality are concerned.

The Internal Audit Executive within the office of the Municipal Manager coordinates and manages the Internal Audit function within the municipality. A Panel of service providers (SekeleZabiso, PriceWaterHouseCoopers and Deloitte & Touche) have been appointed by uMhlathuze municipality for a three year period to deliver the Internal Audit function.

As part of their scope, auditing of the Performance Management System and Predetermined Objectives are performed and reported on for each quarter in terms of the following internal audit plan:

Audit Project	Focus Area
Review of Performance Information - Quarter 1	<ul style="list-style-type: none"> <li>• Consistency in reporting;</li> <li>• Measurability and reliability;</li> <li>• Performance reports reviews;</li> <li>• Performance score verification (Municipal Manager and Deputy Municipal Managers);</li> <li>• Compliance with relevant laws and regulations.</li> </ul>
Review of Performance Information - Quarter 2	<ul style="list-style-type: none"> <li>• Consistency in reporting;</li> <li>• Measurability and reliability;</li> <li>• Performance reports reviews;</li> <li>• Compliance with relevant laws and regulations</li> </ul>



Audit Project	Focus Area
Review of Performance Information - Quarter 3	<ul style="list-style-type: none"> <li>• Consistency in reporting;</li> <li>• Measurability and reliability;</li> <li>• Performance reports reviews;</li> <li>• Compliance with relevant laws and regulations</li> </ul>
Review of Performance Information - Quarter 4 (Annual Performance Report)	<ul style="list-style-type: none"> <li>• Consistency in reporting;</li> <li>• Measurability and reliability;</li> <li>• Performance reports reviews;</li> <li>• Compliance with relevant laws and regulations</li> </ul>

The Auditor General finally audits all achievements reported in the Organisational Performance Management System Scorecard as reported in the Draft Annual Performance Report that is submitted together with the Draft Annual Financial Statements at the end of August of each year. Their findings are reported in their management letter and are included in the Annual Report. The information reported therefore is validated for correctness.

The Auditor General will be performing the auditing of information submitted in this report, together with all achievements reported in the Organisational Performance Management System Scorecard and submit their findings in their management letters to be included in the Annual Report of 2014/2015. The information reported therefore will be validated for correctness.

## 7. Customer Satisfaction

Council has appointed Siloam People Development Agency to conduct the 2015 Customer Satisfaction Survey. The Comprehensive feedback and analysis report was received in June 2015. The results were reported to Council via the Performance Audit Committee per Council Resolution 10335, RPT 158509 on 28 August 2015. The comprehensive analysis feedback report is available on Council's official website. ([www.umhlathuze.gov.za](http://www.umhlathuze.gov.za)) under the "Performance Management" link

## 8. Annual Organisational Performance Information

Performance Monitoring underpins the Municipality's IDP in terms of reviewing progress regularly in achieving our priorities and delivering value for money services. Early investigation into variances enables remedial action taken where appropriate.

The Draft Annual Performance Report highlights the key performance measures included in the Integrated Development Plan (IDP) for the 2015/2016 financial year. These priority measures constitute the Organisational Performance Scorecard for 2015/2016.

The annual performance reporting on the 2015/2016 financial year has been completed and reflected in the Organisational Performance Scorecard in a table format (as prescribed by KZN CoGTA). The Draft Organisational Performance report is herewith presented to the Auditor General for auditing together with the Annual Financial Statements on 31 August 2016.

This Annual Performance Report (Tables) once finalized and approved should be read in conjunction with the uMhlathuze Annual Report, including the Annual Financial Statements

as well as Auditor General Report on the Annual Financial Statements and Performance on Predetermined Objectives Information for 2015/2016.

On 30 June 2016, 75% of organisational performance targets have been met within 95% or exceeded the annual targets set. An average percentage annual achievement of 111.2% against the annual key performance targets set. Areas for improvement are shown in the relevant column directly in the Organisational Performance Scorecard for 2015/2016 (OPMS Scorecard). Accountable managers have provided commentary to put performance into context and identified actions that they are taking to address instances where under performance is reported.

The traffic light system used to report performance is as follow:

- **Blue** – Performance above 2% of the target
- **Green** – Performance meets target
- **Amber** – Performance within 5% of target
- **Red** – performance more than 5% adverse of target

In relation to the 2015/2016 year end performance results, the final results can be analysed as follows:

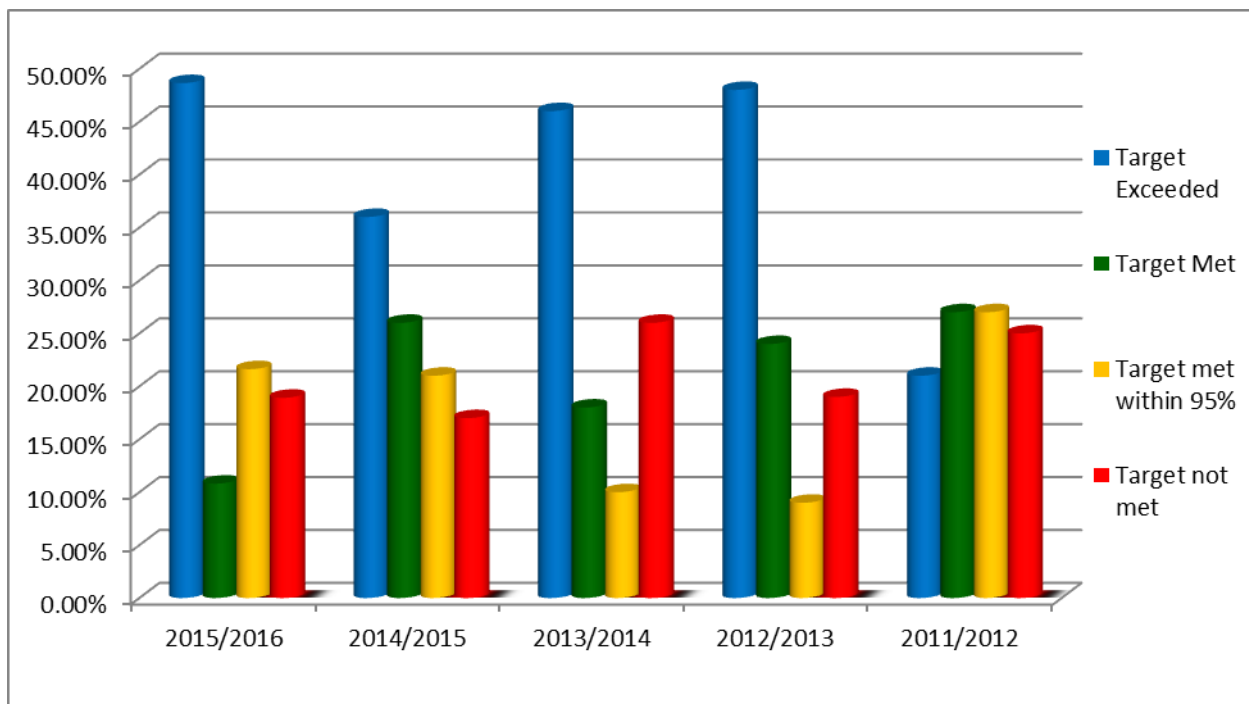
- **81%** of targets have been met within 95% or exceed against the year-end target set
- **19%** of targets not achieved, has increased compared to last financial year where 17% of targets were not met

The performance results for the organizational priorities can be summarized as follows:

Traffic Light Status	2015/2016 Performance	2014/2015 Performance	2013/2014 Performance	2012/2013 Performance	2011/2012 Performance
Blue – Exceeded target	49%	36%	46%	48%	21%
Green – Met target	11%	26%	18%	24%	27%
Amber – Missed target by less than 5%	22%	21%	10%	9%	27%
Red – Missed Target by more than 5 %	19%	17%	26%	19%	25%

In 2015/2016 the average performance on performance targets achieved has decreased when compared with 2014/2015 financial year. It is worth noting the impact of factors such as budget and staff retention whilst continuously increased demand for services putting pressure on achievement of challenging targets. Ultimately the municipality has achieved savings for the financial year, maintained good levels of service delivery (as demonstrated through comparative information) and seen increased levels of satisfaction across a number of services.

The following chart illustrates overall performance for the 2015/2016 financial year with performance achieved during the four previous financial years, 2014/2015, 2013/2014, 2012/2013 and 2011/2012 financial years respectively:



### Web-Based Organisational Performance Scorecard Dashboard

The following high level dashboard score has been achieved on the Organisational Performance Scorecard 2015/2016 financial year, populated in the Electronic web-based KZN CoGTA performance management system developed by SigmaIT.



**Score: 7.8**

The web-based Performance Management System has scored the achievement of individual key performance areas as follows:

***“KZN Municipalities >> KZN Cogta PMS >> KZN 282: uMhlathuze LM >> KZN 282: Organisational Scorecard: IDP (Tier 1)”***

ID	Name	Type	Score
7738	Good Governance Community Participation and ward Committee Systems	Key Performance Area	10.0
7739	Basic Service Delivery and Infrastructure Development	Key Performance Area	5.5
7740	Local Economic Development	Key Performance Area	10.0
7741	Municipal Transformation and Institutional Development	Key Performance Area	8.4
7742	Financial Viability and Financial Management	Key Performance Area	5.5

1. **Good Governance, Community Participation and Ward Committee Systems**

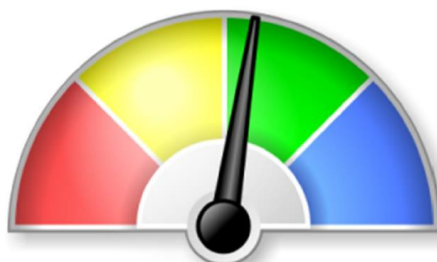


Good Governance Community Participation and ward Committee Systems  
**Score 10**

The municipality excelled in the area of community liaison and public communication and exceeding the number of planned IDP and Budget roadshow meetings. The annual target for ward committee management meetings and community meetings were reduced in anticipation of the municipal elections, however were exceeded by recording 344 ward meetings held against the annual target of 180. The total number of public meetings held was 131 against the annual target of 60 meetings.

IDP and Budget Roadshows, Ward Committee, Stakeholder Liaison and Council meetings were successfully scheduled and convened in accordance with Council's Standing Rules of Order to ensure ongoing community involvement in municipal decision making.

2. **Basic Service Delivery and Infrastructure Development**



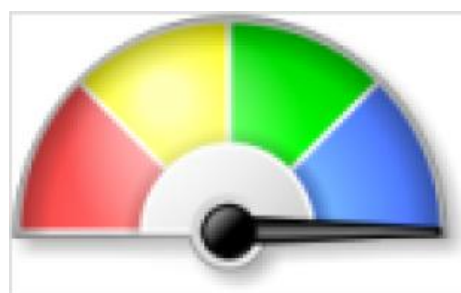
Basic Service Delivery and Infrastructure Development  
**Score 5.5**

The basic water service infrastructure improved during the financial year with a total of 85 028 (98.17%) households connected to the water network within the municipal area. The target of 1000 water-metering connections upgrades was slightly under achieved with 957 new meters installed (yard connections), contributing to an upgrade in water supply services.

A total 75 325 (88.10%) of households do have access to basic sanitation services. 2 904 additional VIP's was constructed, below the amended annual target of 4 200, as result of challenges experienced with contractors appointed for the construction of VIP toilets. Appointed contractors have experienced labour problems, however the municipality was able to decrease the sanitation backlog of 13 138 households without access to sanitation to 11 284. The projects have been rolled over to the next financial year and targets are included in the Organisational Scorecard for the 2016/2017 financial year.

The municipality is delivering electricity supply to 34 140 households and has connected 166 additional households to improve access to basic electricity services in the municipal electricity licensed area; however this target remains reliant on consumers applying for this service. The annual target of 250 new connections was not achieved. The municipality is in a position to deal with all applications received.

### 3. Local Economic Development



Local Economic Development  
**Score 10**

A total of 1966 low cost houses were constructed in the rural areas against the amended annual target of 766, therefore over achieved on the number of houses constructed during the financial year. No targets were set for Hostel units upgrading sine the allocation process for the residents of Bhambatha Hostel/Flats was nullified due to some irregularities during the allocation process by Izingelosi Consulting and the new service provider was appointed by Council which completed the allocation process by end March 2016. Then the appointed contractor which was appointed by October 2015 had to wait till the allocations were finalized and residents to move to two blocks that had been refurbished already where they only started working in May 2016 and are expected to finish by February 2017 according to the addendum of the programme.

The target for low cost housing in urban areas has been amended to zero. The outstanding units at Dumisane Makhaye Village are 12 in phase 7, there has been a delay due to the fact that the Implementing Agent did not cater for disabled residents and they were experiencing problems with the units that were allocated to them since they are on wheel chairs. The Implementing Agent Infraserf was instructed to address these challenges and the cheapest option was to relocate those residents to new stands where a bigger house will be built for disable residents with all the requirements inside. Currently the Implementing Agent with the municipality is in the process of changing ownership for those units and build new proper units for disabled residents.

In terms of community capacity building programmes, 6 informal Trading sessions were conducted through the Mentorship Programme over 3 months as well as training sessions for small scale farmers, mentorship provision to SMME's and informal traders as well as the training of agricultural cooperatives.

The annual amended targeted jobs created through EPWP incentives were achieved within 99.5% and slightly below target as some projects only span over 6 months; therefore 731 jobs were recorded at the end of the financial year against the annual target of 734.

In provision of public transport facilities and infrastructure in the urban and rural areas, 58.5 kilometers of rural gravel roads were established against the target of 48 kilometers. Due to higher demands by the community, rural gravel roads were re-prioritized and funds re-allocated on the maintenance budget to meet the community demands. In terms of maintenance of tarred roads, rehabilitation target was not met, however in terms of dealing with potholes, the amended annual target was exceeded.

In terms of provision of recreational facilities and environmental services to the community, the annual target of 6 community halls to be upgraded has been met and 3 sports fields were upgraded against the annual target of 4 due to several rain delays experienced.

#### **4. Municipal Transformation and Institutional Development**



Municipal Transformation and Institutional Development

**Score 8.4**

The municipality was able to meet the annual targets set for the recruitment and retention of staff from designated employment equity groups and still experiences a high level in staff turnover. The municipality continues with the implementation of the Employment Equity Plan during the 2016/2017 financial year.

In terms of the target set for female employees in management positions, there were 14 females appointed against the annual target of 9. A total of 806 females are employed at the municipality on 30 June 2016 against the annual target of 785. A total of 730 youth are employed at the municipality on 30 June 2016 against the annual target of 665.

A total of 84 Workplace Skills training programs was conducted during the financial year against the annual target of 60, resulting in an over achieved by 24. The percentage of budget spent on Workplace Skills Plan was slightly over achieved, due to the large number of external programmes.

The target of 200 occupational health and safety initiatives to be implemented has been exceeded by conducting 259 due to an increase in the number of contractors and inspections.



## 5. Financial Viability and Financial Management



Financial Viability and Financial Management  
**Score 5.5**

R 2 078 104 614 was collected from customers of the municipality for the 2015/2016 financial year, contributing to a 101% on the targeted amount of R 2 075 753 356.

Except for capex spend, all financial Viability Indicators have improved, indicating an improved sound financial standing of the municipality. It needs to be noted that the Cost Coverage Ratio of 2.74 is in excess of the benchmark of 2, in addition this was achieved without the drawdown of the approved external borrowing for both the 2014/15 and 2015/16 financial years of R185million.

The municipality spent 93% of grants and subsidies received from government departments, since a roll-over application for grants received from the previous financial year was approved by National Treasury.

The challenge lies with deterioration in capex spend. Through some poor planning, the Municipalities capex spend reduced from 92.1% in the 2014/2015 to 78.39 % (R393m of R501m) in 2015/16 financial year. Measures have been put in place to improve on this indicator in the next financial year.

## 9. Annual Organisational Performance Scorecard

The following table reflects the organisational performance targets and achievements as reflected in the Integrated Development Plan, in relation to the achievements of the previous financial year as well as reflecting corrective measures to be taken in the 2016/2017 financial year in cases of under achievement:

Section 46(1)(a) of the Municipal Systems Act (No. 32 of 2000) require the Municipality to reflect the municipality's, and any service provider's, performance during the financial year reported on. The uMhlathuze municipality is fortunate not to be reliant on external service providers in provision of Basic Services, i.e. water, sanitation, solid waste removal services delivered by the district municipality like most other local municipalities do.

Water distribution to the community by uMhlathuze is delivered through water purification by WSSA and through purified water purchased from the Mhlathuze Water Board. Electricity is distributed to communities by uMhlathuze Municipality in the municipal licensed area, through purchasing electricity from ESKOM. Also other Basic Services delivered by uMhlathuze Municipality include, solid waste removal (refuse collection) and sanitation. The number of households served with basic services as reflected in the table below reflects the municipality's and any service provider's performance on delivering basic services during the financial year, also a comparison with performance in the previous financial year as contemplated in section 46(1)(a) of the Municipal Systems Act (No. 32 of 2000).



The information reflected below will be subjected to validation in the Internal Auditing process (in line with the appointed panel of Internal Auditors and the Municipal Public Accounts Committee) *(as well as the Auditor General upon their annual audit process)* as reported via the Performance Audit Committee on 26 August 2016 per Council item RPT 160819, the Executive Committee on xx September 2016 and before Council on xx September 2016. Reports are available for inspection.

NOTE: The planned annual targets for 2016/2017 financial year, reflecting in the far right-hand column in the organisational performance scorecard below will have to be amended in line with the mid-year adjustment budget to include the total number of additional households as result of the four additional wards taken over from Ntambanana municipality due to the dissemination of Ntambanana municipality. The level of services to the additional four wards will have to be established and included into future planning and reporting on organizational performance.

# ORGANISATIONAL PERFORMANCE SCORECARD 2015/2016

(Master table on DMS 1064996; 2015/2016 tab)

UMHLATHUZE ORGANISATIONAL PERFORMANCE SCORECARD 2015/2016												
IDP Ref	Outcome 9	National KPA	Objective	Strategies	Performance Indicator	2014/2015 Baseline	Backlog	2015/2016			2015/2016	2016/2017
								Annual Target	Amended Annual Target	Annual Actual 30 June 2016	Corrective action for Annual target not met / remarks	
												Annual Target
1.3.1	Deepen democracy through a refined Ward Committee model	Good Governance, Community Participation and Ward Committee Systems	Increase community participation and awareness mechanisms and processes	Conduct regular Strategic Public participation meetings	Number of Public Meetings (IDP/PMS and budget meetings)	18		8	8	10	Over achieved on the Annual Target by 2	8
1.3.1				Host Ward Committee Management meetings	Number of Ward Committee Management meetings held	350		180	180	344	Over achieved on the Annual Target by 164	272
1.3.1				Facilitate Community meetings in all wards	Number of community meetings per ward	141		60	60	131	Over achieved on the Annual Target by 71	102
1.1.2			To improve integrated development in order to enhance sustainable development	Preparation of credible and implementable Integrated Development Plan	Date of IDP approval	26-May-15		30-Jun-16	30-Jun-16	25-May-16	Target achieved one month ahead of the target date	30-Jun-17
2.1	Improving access to basic services	Basic Service Delivery and Infrastructure Development	Improve access to Basic services to the community	Eradicate water services backlogs through provision of basic water services	% Households with access to basic water	97.70%	2.21%	99.50%	98.85%	98.80%	Target not achieved by 0.68%	99.95%
2.1					Number of New Water connections to households (upgrade service to yard connections)	0		1500 (upgrade of service)	1000 (upgrade of service)	951	Target not achieved by 49.	1000
2.1					Number of Households with access to free water	8323		8323	8323	10559	Over achieved on the Annual Target by 2236	TBA
2.1			Eradicate Sanitation services backlogs through provision of basic sanitation services	% Households with access to sanitation	84.83%	15.17%	90.62%	89.68%	88.10%	Target not achieved by 1.58%	95.52%	
2.1				Number of new VIP toilets provided to households	6649	13138	5010	4200	2904	Target not achieved by 1296 A delay was experienced in re-appointing a contractor to complete 1800 units. The contractor could not start with the project due to problems with the community caused by the previous contractor i.e. unpaid labourers and issues of starting from another area not the area where the previous contractor was working had to be resolved first. In future, the deviation route (Section 36) will be followed when a contract is cancelled to avoid further delays with restarting the SCM process to appoint another contractor. Promote improved relationships and communications with the community structures on a continuous basis to obtain community buy-in in projects.	4630	
2.1				Number of Households with access to free sanitation (VIP's)	30403	13138	35413	34603	33307	Target not achieved however within 96.26% against the annual target set.	39233	
2.2		Basic Service Delivery and Infrastructure Development	Improve access to Basic services to the community	Eradicate electricity supply backlogs through provision of basic electricity supply services	Number of Households with access to Electricity (Municipal Area)	33974	0	34224	34224	34140	Target not achieved by 84 but within 99.76% against the annual target set The target is based on historical data and reliant on consumer applications received (dependant on the economy) and beyond the control of the municipality. Some projects identified were not completed. Respective Customers are still in progress with construction.	34640
2.2					Number of new households provided with new Electricity connections	2059	559+941 (infills)	250	250	166		200
2.2					Number of Households with access to free Electricity (Municipal Area)	537		N/A	N/A	555	No target was set since it is dependant on indigent applications, however reporting is a regulations requirement and the Q4 target was achieved.	N/A
2.4.1			To improve access to domestic solid waste removal services to the community	Provide a weekly domestic solid waste removal service to the community	% Households with access to waste disposal	75%	25.01%	75%	75%	77.30%	The annual target was over achieved. 75% of households were already over achieved by 2.3%. The target of 200 households was over achieved by 1795 households in quarter 2 due to additional skips rolled-out in rural areas and through extension of EPWP to rural wards in December 2015, impacting on all the performance indicators relating to domestic solid waste removal. The annual target was therefore amended to 1995 as achieved.	79.61%
2.4.1					Number of new Households with access to waste disposal	3008		200	1995	1995		2000
2.4.1					Number of Household with access to free waste removal	18554		18754	18754	20549		22549

UMHLATHUZE ORGANISATIONAL PERFORMANCE SCORECARD 2015/2016												
IDP Ref	Outcome 9	National KPA	Objective	Strategies	Performance Indicator	2014/2015 Baseline	Backlog	2015/2016			2015/2016	2016/2017
								Annual Target	Amended Annual Target	Annual Actual 30 June 2016		
											Corrective action for Annual target not met / remarks	Annual Target
2.3.1	Improving access to basic services	Basic Service Delivery and Infrastructure Development	To improve access to roads	Provision of public transport facilities and infrastructure in the urban and rural areas	Kilometres of rural gravel roads established	47	N/A	48	48	59.2	Annual target was over achieved by 11.2km Due to higher community demands, funds were re-allocated in terms of priority needs on the operational budget.	48
2.3.2					Kilometres of tarred roads established	0.557	0	3	3	0	Target not achieved J1 Area Esikhaleni:- Dispute with the contractor. Awaiting Lawyers response from the contractor. Work will be completed by In-House staff. Premix Contractor will be appointed.  H2 Esikhaleni:- Internal Project under construction - not completed. Appoint a Premix Contractor to complete the Road Surfacing.  Mandlazini Rural Roads MIG:- Project awarded but awaiting 14 day Objection Period HOS had a meeting with the Mayor to assist with speeding up of the Political & Public Communication in order for the Contractor to commence with work.	2.2
2.3.2					Kilometres of tarred roads rehabilitated	3.98	0	17	9	6.90	Target not achieved due to the following reasons:- Rain Delays Plant Breakdowns at the service provider The service provider experienced community unrest.  Council may have to re-consider the inclusion in the SLA with the service provider to obtain material from alternative sources.	16
2.3.2					Kilometres of tarred roads maintained Amended to read : m2 of repairs to potholes and patching on urban tarred road	11184.32m2	N/A	25 550m2	11184m2	14769	Amended Target Exceeded by 3 585m2	11184
2.6.2.1		To ensure provision of recreational facilities and environmental services to the community	Provision and upgrade of Sport and Recreational facilities	Number of sport field upgraded	4	N/A	4	4	3	Annual target not achieved The Athletics track project was on schedule for completion in June but will unfortunately now only be completed in the 1st quarter of the 2016/17 financial year due to several rain delays experienced in May/June 2016.	5	
2.6.3.3				To provide and upgrade community Halls	Number of community Halls upgraded	4	N/A	6	6	6	Annual target achieved Ngelezane community hall extention in progress and will be completed in 2016/2017 financial year.	3

UMHLATHUZE ORGANISATIONAL PERFORMANCE SCORECARD 2015/2016												
IDP Ref	Outcome 9	National KPA	Objective	Strategies	Performance Indicator	2014/2015 Baseline	Backlog	2015/2016			2015/2016	2016/2017
								Annual Target	Amended Annual Target	Annual Actual 30 June 2016		
											Corrective action for Annual target not met / remarks	Annual Target
3.2.4	Actions supportive of the human settlement outcome	Local Economic Development	To promote the achievement of a non-racial, integrated society, through the development of sustainable human settlements and quality housing	To upgrade public sector hostels	Number of Hostel Units upgraded	36	90	54	0	0	Target amended to zero. The allocation process for the residents of Bhambatha Hostel/Flats was nullified due to some irregularities during the allocation process by Izingelosi Consulting and the new service provider was appointed by Council which completed the allocation process by end March 2016. Then the appointed contractor which was appointed by October 2015 had to wait till the allocations were finalized and residents to move to two blocks that had been refurbished already where they only started working as May 2016 and are expected to finish by beginning of February 2017 according to the addendum and the programme.	54
To provide low-cost Houses (Urban)				Number of Houses completed	31	N/A	18	0	0	Target amended to zero The outstanding units at Dumisane Makhaye Village are 12 in phase 7, there has been a delay due to the fact that the Implementing Agent did not cater for disabled residents and they were experiencing problems with the units that were allocated to them since they are on wheel chairs. The Implementing Agent Infraserv was instructed to address these challenges and the cheapest option was to relocate those residents to new stands where a bigger house will be built for disable residents with all the requemments inside. Currently the Implementing Agent with the municipality are in the process of changing ownership for those units and build new proper units for disabled residents. No target is set for 2016/2017 since bulk services and reticulation will be completed in 2016/2017.	0	
To accelerate development of houses in rural areas				Number of Houses completed	729	N/A	180	766	1966	Target over achieved by 1200 Due to the Kwazulu Natal Department of Human Settlements financial challenges at the time of setting the targets, they had advised the municipality to produce 180 units during the year under review. However, the Implementing Agent with the contractor manage to fast track the project as it did not make business sense for them to only do 180 whilst they could do more and close off the project. The target was amended to 766, hence houses were completed and then resulted in over achievement of the target. DoHS had to shift some funding from other allocations to cover this project.	0	
3.1.1			To create an environment conducive to economic growth and development	Capacitate community through training in scarce skills	Number of trainings provided	3	N/A	3	3	6	The annual target was over achieved by 3.	3
3.1				Jobs created through the municipality's Capital Projects (EPWP)	Number of jobs (Cumulative)	436	N/A	580	734	731	Target met within 99.5% The two main reasons that contributed to not meeting the target are: 1) Cancellation of the Storm Water tender which was earmarked for employing more than 150 employees impacted negatively on job creation. 2) Performance of contractors awarded contracts: contractors such as Masefane Projects, uMkhumbi, contractor responsible for fire station and some contractors appointed to install rural sanitation were unable to perform to the required standard thus affecting employment opportunities to be created. 3) Termination of two Sanitation contracts	840

UMHLATHUZE ORGANISATIONAL PERFORMANCE SCORECARD 2015/2016												
IDP Ref	Outcome 9	National KPA	Objective	Strategies	Performance Indicator	2014/2015 Baseline	Backlog	2015/2016			2015/2016	2016/2017
								Annual Target	Amended Annual Target	Annual Actual 30 June 2016		
											Corrective action for Annual target not met / remarks	Annual Target
4.1.1	Implement differentiated approach to Municipal financing, planning and support	Municipal Transformation and Institutional Development	Promote equal opportunity and fair treatment in employment through the elimination of unfair discrimination	Implementation of Employment Equity Plan	Number of Women employed in the Top Four Management positions(Level 19>)	7	N/A	9	9	14	Annual target over achieved	15
4.1.1					Number of women employed by the municipality	765	N/A	785	785	806	Annual Target over achieved by 21 41 additional Women employed during the financial year against the annual target of 20	826
4.1.1					Number of Youth employed by the municipality	645	N/A	665	665	730	Annual Target over achieved by 65 85 additional Youth employed during the financial year against the annual target of 20	750
4.1.1					Number of people with Disability employed by the municipality (Target additional to baseline)	5	N/A	9	9	8	Annual Target missed by 1 3 additional persons with disability were employed against the amended annual target of 4	12
4.1.2.1			Clean and secure working environment	Promote clean, health and safe working environment	Number of occupational health and safety initiatives implemented	285	N/A	200	200	259	Annual Target over achieved by 59.	Move to operational
4.1.2.2			Improve the performance of employees.	Development and appropriate training and assistance to employees	% Budget Spent on Workplace Skills Plan (cumulative)	85.25%	N/A	100%	90%	94.11%	Annual target was over achieved by 4.91% 94.91% of Annual budget spend against the annual target of 90%	94%
4.1.2.2					% Operating Budget spent on implementing Workplace Skills Plan	0.77%	N/A	0.75%	0.75%	0.79%	The annual target was over achieved by 0.05% 0.80% achieved against the annual target of 0.75%	0.80%
1.1.3.2			To ensure monitoring and evaluation of municipal performance	Implementation of Individual Performance Management System	Number of S57 Performance Agreements signed	6	N/A	7	7	7	Annual Target achieved All agreements signed in quarter 1 with the filling of the vacancy of the position of Deputy Municipal Manager - City Development as from 1 August 2015.	7
5.2.1	Implement differentiated approach to Municipal financing, planning and support	Financial Viability and Financial Management	Debt Control	Debt coverage ratio (cumulative)	(Total operating revenue received - operating grants) / debts service payments (interest & redemption due for the year) (x 1000)	2171335 195729 =11.09	N/A	2266348/ 220425 =10.28	2 203 854 / 220 425 = 10.00	2 222 620 / 189 144 = 11.75	Annual target over achieved by 1.75. Savings on interest on loan due to 2015/2016 loan not being taken. Achievements based on the interim financial results as at 30 June 2016 and subject to validation together with the Annual Financial Statements.	2 337 599 / 223 249 = 10.47
5.2.1				Outstanding service debtors to revenue	Outstanding service debtors / revenue actually received for services	216853546/ 2113623368 (x100) 10.26%	N/A	206231514/ 2131174738= 9.68%	275 000 000 / 2 075 753 356 =13.25%	287 697 355 / 2 059 395 619 = 13.97%	Target achieved within 98% of annual target set, however intensive management of debtors will be implemented in the rural areas. Achievements based on the interim financial results as at 30 June 2016 and subject to validation together with the Annual Financial Statements.	221 658 810 / 2 290 598 786 =9.68%
5.1.2.1				Cost coverage ratio (cumulative)	[(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment / Monthly fixed operating expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)]	370716 181483 =2.04	N/A	435723/ 192608 = 2.26	515 881 / 188 899 = 2.73	379 968 / 184 279 = 2.06	The variance of 0.67 is minimal and is due to marginal increases to operating expenditure, specifically in the rural areas. Achievements based on the interim financial results as at 30 June 2016 and subject to validation together with the Annual Financial Statements.	465 225 170 072 = 2.74
5.1.2			Expenditure control	Percentage Capital Budget spent on Capital project i.t.o. IDP	Capital Budget amount spent on Capital Projects / Total Capital Budget x 100 = Percentage spent YTD	92.10%	N/A	90%	451 044 450 / 501 160 500 = 90%	392 837 689 / 501 160 500 = 78.39%	Amended annual target not achieved. The capital expenditure is 11.06% lower than 2014/2015 financial year due to poor planning which resulted in tenders being advertised late in the year. Achievements based on the interim financial results as at 30 June 2016 and subject to validation together with the Annual Financial Statements.	455 427 245 / 479 397 100 = 95%

**LEGENT: KEY FOR PERFORMANCE INDICATORS:**

Priority (National general KPI's)

KZN CoGTA Excellence awards criteria

Additional /Departmental criteria

<b>Comments:</b>
<b>Access to electricity (New connections):</b> The Quarterly targets and achievements for this KPI are dependent on the number on applications received.
<b>Free basic Service (Households with access to free electricity):</b> The Quarterly targets and achievements for this KPI are dependent on the number on indigent applications received.
<b>Total number of households:</b> The annual targets as reflected in the approved IDP have been revised to <b>86609</b> based on Stats SA (Sensus 2011) figures.
<b>ACHIEVEMENTS:</b> The annual achievements as reported in the Actual (June 2016) column audited by the Internal Auditors (SekeleZabiso, PriceWaterHouseCoopers and Deloitte & Touche) and subject to the Auditor General and final adjustments made together with the Annual Financial Statements and AG Report.

Traffic Light Status in Remarks Column
Blue – Exceeded target
Green – Met target
Amber – Missed target by less than 5%
Red – Missed Target by more than 5 %
Black – Target adjusted to zero